

FREEDOM OF TRADEMARK: TRADEMARK FAIR USE AND THE FIRST AMENDMENT

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INTRODUCTION

Over the past two decades, intellectual property law has witnessed significant changes as both producers and consumers adjust to the rapid pace of development in the “Information Age.” Though many in the general public are aware of the debates swirling around copyright and patent law today,¹ trademark law faces enormous challenges as well. The most difficult of these has emerged as companies and individuals, especially in the digital arena, test the limits of trademark “fair use” doctrine.

While Coca-Cola and Pepsi continue the “Cola Wars,” technology companies such as Apple, Microsoft, Google, and Samsung have engaged in similar advertising battles for market share. These campaigns pit some of the strongest and most recognizable brands and trademarks in the world against each other in manners often less than cordial. The “Get a Mac” campaign, which involved a drab, middle-aged man (Microsoft/PC) trading barbs with actor Justin Long (Apple), perfectly captures the general nature of these campaigns.² These campaigns, usually considered “comparative advertising,” are specifically protected in some respects by provisions in the 2006 Trademark Dilution Revision Act (“TDRA”). But what are the limitations of these companies’ statutory protections under the TDRA, and more generally under the Lanham Act? And are these statutory protections enough to protect the rights of individuals and corporations as the United States Patent and Trademark Office continues to grant ever more general trademarks? And if not, what

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1 See, e.g., Laura Baverman, *Patent Law Changes Alter Entrepreneurs’ Planning*, USA TODAY (Sept. 19, 2013), <http://www.usatoday.com/story/money/columnist/2013/09/15/baverman-entrepreneurs-and-startups/2795063/> (examining the effects new patent laws are having on start-ups).

2 EveryAppleAd, *Apple COMPLETE “Get a Mac” ad campaign compilation (with Bonus ads)*, YOUTUBE (Dec. 30, 2012), <https://www.youtube.com/watch?v=DZSBWbnmGrE>.

changes should be made to ensure a robust, and powerful limitation to the scope of trademark law's protections?

In answering those questions, this Comment will examine the limitations of today's statutory and common law fair use protections. The natural limitations of trademark law stem from its underlying history and the theory that forms its foundation. These narratives suggest the most effective way to limit trademark law may lie in recognizing the inherent First Amendment limits of trademark law. Although the current statutory and common law scheme uses a patchwork of doctrines, which often fail to provide coherent and consistent results, a First Amendment-based fair use doctrine could incorporate all the underlying concerns into one, unambiguous, and most importantly, predictable doctrine. Additionally, given the First Amendment has been held to apply to corporations and individuals alike,³ this doctrine could protect both commercial and private speech.

This Comment will explore the possibility of a new pleading standard to augment or possibly replace the current patchwork of fair use doctrines. Part II will discuss the historical development of Trademark law and its effect on the development of the fair use doctrines. In particular, Parts II.B and II.C will explain how the broad expansion of trademark rights necessitated the development of trademark fair use doctrines and continues to put pressure on the courts to find limits to trademark rights. Part III will then examine the courts' First Amendment doctrine as it relates to commercial speech, and the possible implications it has for trademark law. Part IV will then examine each of the current fair use doctrines in turn and explain their limitations and the lessons to be gained from their failures. Finally, Parts V and VI will explain the current First Amendment limits inherent in trademark law and explain a possible solution to the problems facing trademark law: a heightened pleading standard.

I. THE DEVELOPMENT OF TRADEMARK LAW AND FAIR USE DEFENSES

It is important to note, here at the outset, the fundamental difference between trademark law and the two other forms of federally protected intellectual property, copyright and patent. Though copyright and patent law incentivize ingenuity by requiring some type of

3 See, e.g., *N.Y. Times v. Sullivan*, 376 U.S. 254, 292 (1964).

creativity to acquire protection,⁴ trademark holders acquire protection simply by appropriating a word, phrase, etc., to represent their products or services.⁵ Consequently, one must understand the history and theoretical underpinnings of trademark law to understand why Congress granted trademark protection in the first place, the scope of its protections, and the importance of the limitations to trademark law that fair use doctrines provide.

Part I.A discusses the early development of trademark law, and how its limits precluded the need for fair use defenses. Part I.B examines the changes wrought by the Trademark Act of 1909 and the Lanham Act of 1946 and how these changes necessitated the development of fair use defenses as the scope of trademark grew to its current extent. Finally, Part I.C offers a brief analysis of the consequences of trademark law's growth.

A. *The "Passing Off" Requirement: The Natural Limits of Trademark Protection*

Trademark law developed relatively recently when compared to many other branches of law. The first case in the United States to grant relief for a violation of "trademark rights" was not decided until 1844 in *Taylor v. Carpenter*.⁶ But it was not until 1879, thirty years later, that the Supreme Court finally recognized that it was a settled manner, under state law, that individuals had the right to "adopt and use a symbol or a device to distinguish the goods or property made or sold by the person whose mark it is, to the exclusion of use by all other persons."⁷ Yet, the Court resisted Congress's attempts to federalize those protections under the Copyright and Patent Clause of the Constitution, noting that trademarks did not involve any new inventions or expressive writings.⁸ Arguing that some form of inventiveness or "genius" was required before the Congress could grant an exclusive right to the trademark's owner, the Court struck down the first Trademark Act.⁹ Congress finally granted federal trademark protec-

4 Trade-Mark Cases, 100 U.S. 82, 93–94 (1879).

5 15 U.S.C. § 1127.

6 23 F. Cas. 742 (C.C.D. Mass. 1844) (Story, J.) (cited in Hannibal Travis, *The Battle for Mindshare: The Emerging Consensus that the First Amendment Protects Corporate Criticism and Parody on the Internet*, 10 VA. J.L. & TECH 1, 6 n.21 (2005)).

7 Trade-Mark Cases, 100 U.S. 82, 92 (1879).

8 *Id.* at 92–94.

9 *Id.* at 94–99.

tion successfully in 1905, by acting under the Commerce Clause to ban trademark infringement in interstate or foreign commerce.¹⁰

Although today trademark law protects against non-competitors and competitors alike, in its original form, it simply prevented competing merchants from appropriating one another's marks. In *Canal Co. v. Clark*,¹¹ the Supreme Court described trademark infringement in these terms:

[I]n all cases where rights to the exclusive use of a trade-mark are invaded, it is invariably held that the essence of the wrong consists in the sale of the goods of one manufacturer or vender as those of another; and that it is only when this false representation is directly or indirectly made that the party who appeals to a court of equity can have relief.¹²

Courts crafted nineteenth century trademark law to protect producers from illegitimate trade diversion, making it a species of the "broader law of unfair competition."¹³

The primary difference between trademark infringement and unfair competition hinged upon the different burdens of showing intent.¹⁴ Because the use of another's trademark was unlikely to have a legitimate explanation, trademark infringement cases used an almost strict liability standard, while unfair competition claimants had to prove the defendant's intent to pass off its products as its own.¹⁵ The Supreme Court itself noted in 1916 that the "essential element is the same in trade-mark cases as in cases of unfair competition unaccompanied with trade-mark infringement."¹⁶ Consequently, trademark law was limited to cases of deceptiveness, particularly those in which a competitor attempted to pass its goods as those of another.

As scholars Mark McKenna and William McGeveran recently articulated, these natural limits ensured that early trademark law only reached a "limited range of particularly egregious conduct."¹⁷ These limitations also prevented conflict between trademark rights and broader competition or speech values.¹⁸ Therefore, courts had no

10 Pub. L. No. 58-84, 33 Stat. 724 (1905).

11 80 U.S. 311 (1871).

12 *Id.* at 322.

13 Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1860 (2007).

14 *Id.* at 1862.

15 *Id.*

16 *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 413 (1916).

17 William McGeveran & Mark P. McKenna, *Confusion Isn't Everything*, 89 NOTRE DAME L. REV. 253, 261 (2013).

18 *Id.* at 261.

need for explicit fair use doctrines, as the inherent limits of trademark law protected defendants.¹⁹

For example, in *Prestonettes*, the Supreme Court had to decide whether the repackaging of another's product, and subsequent use of the original trademark to advertise the repackaged goods, violated the rights of the trademark holder.²⁰ In finding that such a use was allowed, the Supreme Court pointed out:

If the name of Coty were allowed to be printed in different letters from the rest of the inscription dictated by the District Court a casual purchaser might look no further and might be deceived. But when it in no way stands out from the statement of facts that unquestionably the defendant has a right to communicate in some form, we see no reason why it should not be used collaterally, not to indicate the goods, but to say that the trade-marked product is a constituent in the article now offered as new and changed. As a general proposition there can be no doubt that the word might be so used.²¹

The Court's holding in *Prestonettes* illustrated "that trademark was not concerned with *any* use of a mark unless it deceived consumers into purchasing the defendant's product instead of the plaintiff's."²² Consequently, defendants had no need for fair use defenses that categorically protected speech; trademark law contained itself.

B. The Shift to Confusion: An Increasing Need for Fair Use

Yet, what began as a species of unfair competition intended to protect consumers from misleading goods and producers from charlatans trading on their marks' goodwill, quickly evolved into something more. While the 1909 Trademark Act wrought some changes,²³ the major shift occurred with the Lanham Act²⁴ in 1946. Courts interpreted the Lanham Act to prohibit, as infringement, any use of a mark that was likely to cause confusion as to a potential connection between the junior user and the mark owner in the consumer's mind, regardless of whether or not competition was present.²⁵ The Act also

¹⁹ *Id.*

²⁰ *Prestonettes, Inc. v. Coty*, 264 U.S. 359, 366–67 (1924).

²¹ *Id.* at 368–69.

²² *McGeeveran & McKenna*, *supra* note 17, at 262.

²³ The Act defined trademark infringement as using the same mark as the plaintiff on goods "of 'substantially the same descriptive proprieties,'" broadening the scope of what was considered a competing product. *McKenna*, *supra* note 13, at 1900 n.259 (citing Pub. L. No. 58-84, 33 Stat. 727 (1905), *repealed* by Lanham Act, Pub. L. No. 79-459, § 46(a), 60 Stat. 427, 444 (1946) (codified as amended in various sections of 15 U.S.C.)).

²⁴ Pub. L. No. 79-459 (1946) (codified in various sections of 15 U.S.C.).

²⁵ *See e.g.*, *Stork Rest., Inc. v. Sahati*, 166 F.2d 348, 363–64 (9th Cir. 1948) (granting a New York nightclub relief against a San Francisco bar for the use of "Stork Club" name).

allowed plaintiffs to sue for confusion surrounding the mark owner's sponsorship of, or affiliation with, a junior user for the first time.²⁶

Nearly fifty years later, the Federal Trademark Dilution Act ("FTDA"),²⁷ and its revision under the Trademark Dilution Revision Act ("TDRA"),²⁸ further expanded trademark law's reach by allowing mark owners to sue without any kind of competition between two marks. These new laws attached liability if a defendant's use could: (1) "dilute" or weaken the public's connection between the famous mark and its owner; or (2) reduce a famous mark's goodwill by tarnishing it in some way.²⁹ Consequently, the primary purpose of trademark law shifted from preventing merchants from "passing off" their goods under another, superior trademark,³⁰ to more broadly protecting a trademark owner's hypothetical future business in its market and other potential marks.³¹

As the scope of trademark law's protections shifted, what courts found constituted infringement shifted accordingly. In the late nineteenth century, Justice Story argued that British precedent supported finding trademark infringement where any "colorable imitation" of the "words, names, and devices" used by a plaintiff occurred.³² By the early twentieth century, courts generally agreed that as long as a careless customer could be occasionally misled, relief should be granted in trademark cases.³³

The pattern of increasingly broad trademark rights continued such that, by 1942, if a defendant so much as "poache[d] upon the commercial magnetism of the [plaintiff's] symbol," the Supreme Court found that the owner could get relief.³⁴ By the late 1990s, courts had expanded their test for trademark infringement to the point that even the likelihood of consumer confusion countenanced finding liability, even in the case of parodies.³⁵ The FTDA and TDRA further extended the likelihood of confusion test to dilution, allowing courts to find liability upon the showing of even a likelihood of

26 McKenna, *supra* note 13, at 1902.

27 Pub. L. No. 104-98, 109 Stat. 985 (1996) (codified at 15 U.S.C. § 1125(c)).

28 Pub. L. No. 109-312, 120 Stat. 1730 (2006) (amending 15 U.S.C. § 1125(c)).

29 15 U.S.C. § 1125(c)(1).

30 *See, e.g.,* New Kids on the Block v. New Am. Pub., Inc., 971 F.2d 302, 305 (9th Cir. 1992).

31 Mark P. McKenna, *Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1903-04 (2007).

32 JOSEPH STORY, COMMENTARIES ON EQUITY JURISPRUDENCE, AS ADMINISTERED IN ENGLAND AND AMERICA at 254 (Melville M. Bigelow ed., Little, Brown and Co. 1988) (13th ed. 1886).

33 *See, e.g.,* Florence Mfg. Co. v. J.C. Dowd & Co., 178 F. 73, 75 (2d Cir. 1910).

34 *Mishawaka Rubber & Woolen Mfg. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942).

35 *Dr. Seuss Enters. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1404-06 (9th Cir. 1997).

dilution or tarnishment.³⁶ Thus, in little more than a century, courts shifted from finding liability where a defendant had imitated a competitor's mark to sell his own goods, to finding liability where a defendant's use of a mark could merely diminish the usefulness of that mark to its owner.

During this historic expansion of trademark owners' rights, fair use doctrines began performing a critical role in trademark law by preventing it from inhibiting First Amendment protected speech by individuals. This inhibition most often occurred when owners "prevent[ed] uses of their marks as obvious parodies or for entirely non-commercial purposes."³⁷ Though many in the legal community have focused on the threat trademark overexpansion poses to expressive speech,³⁸ such overexpansion has also had a chilling effect on commerce and industry. As William McGeeveran notes:

An artist or a small business has little capacity to resist when facing possible suit from a litigious trademark holder, unpredictable law, and big legal bills for a long fight. But, large entities—even entire industries—also respond to these risks conservatively. They adopt trademark rights clearance practices that avoid all danger of liability, institutionalizing an incentive structure contrary to free speech values. For example, insurers often demand rights clearance for every single expressive use of a trademark in documentaries; reality television producers obscure unlicensed trademark logos captured incidentally in the footage they air; Google allows markholders to ban the use of their trademarks in others' advertisements; and the virtual world Second Life generally forbids graphical items created by individuals if they incorporate trademarks.³⁹

To protect expressive uses of trademark and mitigate the severest of the anti-competitive effects of trademark law, Congress and the judiciary itself developed a wide range of doctrines,⁴⁰ which protect certain uses considered outside the scope of trademark law.⁴¹

Outside the expressive sphere, these "fair use" doctrines were generally instituted to avoid trademark law's anti-competitive effects.⁴² For example, descriptive fair use prevents companies who use a ge-

³⁶ 15 U.S.C. 1125(c)(1).

³⁷ Mark Lemley, *Romantic Authorship and the Rhetoric of Property*, 75 TEXAS L. REV. 873, 900 (1997).

³⁸ See, e.g., Connie Davis Nichols & Charley Carroll, *Trouble in Trademark Law: How Applying Different Theories Leaves Door Open for Abuse*, 17 SMU SCI. & TECH. L. REV. 1 (2014).

³⁹ William McGeeveran, *Rethinking Trademark Fair Use*, 94 IOWA L. REV. 49, 62–63 (2008) (citations omitted).

⁴⁰ See *infra* Part VI (examining several different iterations of fair use, such as descriptive "traditional" fair use, trademark "use requirement," nominative fair use, etc.).

⁴¹ See McGeeveran, *supra* note 39, at 56–59.

⁴² Graeme W. Austin, *Tolerating Confusion About Confusion: Trademark Policies and Fair Use*, 50 ARIZ. L. REV. 157, 177 (2008).

neric term from gaining proprietary rights in words that name the relevant goods or services.⁴³ As Graeme Austin pointed out:

Curtailing the trademark monopoly on descriptive words facilitates competition; it may also protect after-markets for such things as secondhand goods, sundries, and repairs services. Nominative fair use, a doctrine first described as such by the Ninth Circuit, [also] serve[s] to protect First Amendment values by enabling firms to use others' trademarks in certain expressive contexts.⁴⁴

Justice Brennan further noted the importance of the fair use defense and expressive freedoms: "The fair-use defense . . . prevents the award of a trademark from regulating a substantial amount of non-commercial speech."⁴⁵ Thus, as trademark law has grown, courts and Congress attempted to counteract the pernicious anti-competitive effects of expansive trademark protection with various "fair use" doctrines.

C. Consequences

As illustrated above, trademark overexpansion limits the ability of companies, large and small, to advertise, and even compare, their products with those of others.⁴⁶ Especially with the expansion of trademark protection under the TDRA, corporations must ensure they fit within specific dilution fair use defenses, or risk facing massive liability for their actions.⁴⁷ Though Congress and the courts have acknowledged these problems by placing specific statutory defenses in the FTDA/TDRA—in addition to the existing fair use defenses—each of these doctrines suffer from weaknesses that limit their effectiveness and utility to individuals and corporations alike. In particular, they lead to a great deal of uncertainty for both mark owner and user alike.⁴⁸ This uncertainty is particularly pernicious because it forces extreme caution on the part of even large businesses to avoid the possibility of massive trademark liability, thus chilling both com-

43 *Id.* at 176–77.

44 *Id.* at 177 (citation omitted).

45 *S.F. Arts & Athletics, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522, 565 (1987) (Brennan, J., dissenting).

46 *See, e.g., Louis Vuitton Malletier, S.A. v. Hyundai Motor Am.*, No. 10-Civ-1611, 2012 WL 1481510 (S.D.N.Y. Apr. 27, 2012) (holding that a three second clip of a commercial showing the 'LV' mark on a basketball was not fair use and infringed Louis Vuitton's trademark).

47 15 U.S.C. § 1117 (allowing for double or even treble damages for the intentional violation of a trademark, even if done with the belief that the use was legal).

48 *See infra* Part IV.

mercial and expressive uses of trademark.⁴⁹ As William McGeveran pointed out:

[I]nsurers often demand rights clearance for every single expressive use of a trademark in documentaries; reality television producers obscure unlicensed trademark logos capture incidentally in the footage they air . . . and the virtual world Second Life generally forbids graphical items created by individuals if they incorporate trademarks.⁵⁰

To specifically illustrate the problem, though Google formally allowed mark holders to ban the use of their trademarks in other's advertisements,⁵¹ since reversing this policy it has been the subject of several lawsuits as mark holders assert "keying" advertisements on search engines to searches of specific trademarks constitutes trademark infringement.⁵² Thus, even major corporations have felt pressured to significantly limit their use of others' trademarks, even if the use is relatively innocuous or, as in cases involving reality television, accidental.

Additionally, the uncertainty appears to increase the aggressiveness of mark holders looking for quick, favorable settlements.⁵³ Though now several years old, Kenneth Port's survey of trademark cases has shown that while the number of trademark cases filed continues to rise, the percentage of cases that reach a trial on the merits, the total number of cases reported, the total amount of damages, and the total number of cases where an injunction is demanded are all decreasing.⁵⁴ This development poses a serious threat to both individuals and corporations as some companies and individuals turn to trademark for an independent revenue stream.⁵⁵

Yet the weaknesses of current fair use doctrines suggest how to structure a new fair use doctrine and to ensure that the future solu-

49 McGeveran, *supra* note 39, at 63.

50 *Id.* (citations omitted).

51 *Id.*

52 See, e.g., *Rosetta Stone Ltd. v. Google, Inc.*, 676 F.3d 144, 149 (4th Cir. 2012) (asserting direct infringement claims against Google for trademark "keyed" advertisements); *Rescuecom Corp. v. Google, Inc.*, 562 F.3d 123, 124 (2d Cir. 2009) (same).

53 Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH. & LEE L. REV. 585, 589, 633 (2008).

54 *Id.*

55 See, e.g., *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867 (2d Cir. 1986) (suing a competitor for trademark infringement); *Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352 (9th Cir. 1985) (en banc) (same); *Jordache Enterprises, Inc. v. Levi Strauss & Co.*, 841 F. Supp 506 (S.D.N.Y. 1993) (same); Michael Barbaro & Julie Creswell, *With a Trademark in Its Pocket, Levi's Turns to Suing Its Rivals*, N.Y. TIMES, Jan. 29, 2007, at A1, A16 ("[C]ompetitors say the [trademark infringement] lawsuits are the last resort of a poor loser, a company that has lost billions in sales, laid off thousands of workers and flirted with bankruptcy as the denim industry exploded.").

tion successfully navigates the balance between ensuring the trademark owners' rights are respected and minimizing the uncertainty surrounding trademark that leads to the anti-competitive and speech-limiting effects that broad trademark protections have on the market.

II. THE FIRST AMENDMENT: COMMERCIAL SPEECH DOCTRINE AND ITS IMPLICATIONS FOR TRADEMARK LAW

Given that significant trademark litigation takes place in the commercial arena, any discussion of a First Amendment limitation of trademark law requires an examination of the Supreme Court's commercial speech doctrine. Although historically the doctrine has been extremely limited—allowing the government to prohibit significant amounts of speech to protect trademark rights—recent moves in the Supreme Court's jurisprudence suggest that these protections are weakening. These developments undergird the proposition that a First Amendment limitation to trademark doctrine is even possible. In fact, now, more than ever, the Supreme Court appears to have opened the door for real development in the trademark arena.

As Lisa Ramsey has noted, from 1942 to 1980 the Supreme Court dramatically expanded the degree of protection commercial speech enjoys.⁵⁶ After holding in 1946 that "the Constitution imposes no . . . restraint on government as respects purely commercial advertising,"⁵⁷ the Supreme Court reversed course in 1976 when it explicitly held that the First Amendment protects commercial speech.⁵⁸ In doing so, the Court emphasized the important informational value provided by commercial speech to its audience.⁵⁹

For example, in *Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, Inc.*, the Supreme Court struck down a Virginia regulation that prohibited licensed pharmacists from advertising the cost of prescription drugs.⁶⁰ In striking down the regulation on First Amendment grounds the Court pointed out, a "particular consumer's interest in the free flow of commercial information . . . may be as keen, if not keener by far, than his interest in the day's most urgent political debate."⁶¹ Additionally, the Court specifically noted that the

56 Lisa P. Ramsey, *Increasing First Amendment Scrutiny of Trademark Law*, 61 S.M.U. L. REV. 381, 390–95 (2008).

57 *Valentine v. Chrestensen*, 316 U.S. 52, 54 (1942).

58 *Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 762–65, 770 (1976).

59 C. Edwin Baker, *The First Amendment and Commercial Speech*, 84 IND. L.J. 981, 982 (2009).

60 *Va. Pharmacy*, 425 U.S. at 749–50, 773.

61 *Id.* at 763.

transactions posed by the advertisements were completely legal, thus the state's interest in preventing these ads was extremely limited.⁶² Justice Blackmun also expressed deep concern about government paternalism as a result of its limitations upon certain advertising.⁶³ As the Court said about Virginia's regulation of advertising,

There is, of course, an alternative to this highly paternalistic approach. That alternative is to assume that this information is not in itself harmful, that people will perceive their own best interests if only they are well enough informed, and that the best means to that end is to open the channels of communication rather than to close them . . . the choice among these alternative approaches is not ours to make or the Virginia General Assembly's. It is precisely this kind of choice, between the dangers of suppressing information, and the dangers of its misuse if it is freely available, that the First Amendment makes for us.⁶⁴

Nevertheless, though the Court in *Virginia Pharmacy* did lay commercial speech firmly within the protections of the First Amendment, it did not completely dissolve regulation of commercial speech.

Since *Virginia Pharmacy*, the Supreme Court has upheld a variety of commercial speech regulations. *Virginia Pharmacy* itself stated some bans—such as those on false or misleading speech, restrictions on advertising for illegal products, and regulations related to the time, place, or manner of commercial speech—were acceptable limitations of speech.⁶⁵ To evaluate challenges to limits on commercial speech the court has applied the test laid out in *Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*.⁶⁶

Though significantly more lenient than the strict scrutiny applied in political speech questions,⁶⁷ since approximately 1990 the Court has used *Central Hudson* to strike down commercial speech regulations.⁶⁸ *Central Hudson* turned on the question of whether New York's complete prohibition of promotional advertising by utilities violated the First Amendment by preventing truthful informative speech.⁶⁹ To answer that question, the *Central Hudson* court developed a four part test:

62 *Id.* at 772.

63 *Id.* at 769–70.

64 *Id.* at 770.

65 *Va. Pharmacy*, 425 U.S. at 771–72.

66 *Central Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n of N.Y.*, 447 U.S. 557, 566 (1980).

67 *See, e.g.,* *McCutcheon v. Federal Election Com'n*, 134 S. Ct. 1434, 1441, 1444 (2014) (applying strict scrutiny under the First Amendment to limits on campaign donations by corporations).

68 Ashutosh Bhagwat, *The Test That Ate Everything: Intermediate Scrutiny in First Amendment Jurisprudence*, 2007 U. ILL. L. REV. 783, 795 (2007).

69 *Central Hudson*, 447 U.S. at 558–61.

At the outset, [the court] must determine whether the expression is protected by the First Amendment. For commercial speech to come within that provision, it at least must concern lawful activity and not be misleading. Next, [the court] ask[s] whether the asserted governmental interest is substantial. If both inquiries yield positive answers, [the court] must determine whether the regulation directly advances the governmental interest asserted, and whether it is not more extensive than is necessary to serve that interest.⁷⁰

After examining each of these prongs, Justice Powell concluded that the record before the court showed the total ban on promotional advertising was more extensive than necessary to serve the state interest of conversation.⁷¹ Though the Court appeared to later weaken the standard by only requiring a “reasonable” fit rather than the “least restrictive means,”⁷² the Court has continued to exhibit “a strong anti-paternalism principle, which flatly forbids suppressing commercial speech ‘in order to prevent members of the public from making bad decisions with the information.’”⁷³

For example, in *44 Liquormart, Inc. v. Rhode Island*, the Court faced a regulation similar to that in *Virginia Pharmacy*, a complete ban on the advertisement of liquor prices.⁷⁴ The Court reinforced its position that blanket limitations on speech do not protect consumers from commercial harms.⁷⁵ Reinforcing the point, Justice Stevens wrote, “when a State entirely prohibits the dissemination of truthful, nonmisleading commercial messages for reasons unrelated to the preservation of a fair bargaining process, there is far less reason to depart from the rigorous review that the First Amendment generally demands.”⁷⁶ Though Justice Scalia expressed some reservation about the legitimacy of *Central Hudson*’s protection of truthful and non-misleading commercial speech in his *44 Liquormart* concurrence, he maintained that the Court should protect commercial speech.⁷⁷

Many of the current justices on the Supreme Court have thus demonstrated an interest in increasing the level of scrutiny applied to commercial speech restrictions. Yet, the continuing categorical ex-

70 *Id.* at 566.

71 *Id.* at 571–72.

72 *See* Bd. Of Trs., State Univ. of N.Y. v. Fox, 492 U.S. 469, 480–81 (1989) (requiring a narrowly tailored means that fits the objective).

73 Bhagwat, *supra* note 68, at 795 (quoting Thompson v. Western States Medical Center, 535 U.S. 357, 374 (2002)).

74 *44 Liquormart, Inc. v. Rhode Island*, 517 U.S. 484, 489 (1996) (joint opinion of Stevens, Kennedy, and Ginsburg, JJ.).

75 *Id.* at 499.

76 *Id.* at 501.

77 *Id.* at 517 (Scalia, J., concurring).

clusion of misleading or false commercial speech from First Amendment protection leaves trademark law firmly within constitutional bounds.⁷⁸ Nevertheless, because trademark law also applies to non-misleading commercial speech and noncommercial speech, the Court's ongoing exclusion does not end every conflict between trademark and free speech rights.⁷⁹ While the Court's most recent discussion of *Central Hudson* did not display significant interest in revising the standard of review for limitations upon commercial speech,⁸⁰ many of the justices who supported such an expansion remain on the bench. Moreover, in a series of recent cases the Court has indicated a willingness to raise the burden on a lawsuit's initiation and to stand up for corporate rights,⁸¹ suggesting that the current Court may support a higher pleading standard in situations where both corporations' and individuals' speech is limited.

III. MODERN TRADEMARK FAIR USE DOCTRINES & THEIR WEAKNESSES

Over the course of the last century and a half, a number of limitations have ensured that trademark owners do not abuse the exclusive, non-termed rights they enjoy. Some fair use doctrines grew out of the common law and reflect the natural limits of trademark protections at the time.⁸² As Congress expanded those rights, it also included several statutory exemptions to protect certain uses from prosecution. Consequently, today four major fair use doctrines—Trademark Use, Descriptive “Classical” Fair Use, Nominative Fair Use, and the categorical statutory exemptions included in the TDRA—protect certain uses of trademarks.⁸³ Each doctrine has its own unique advantages and disadvantages. The limited First Amendment balancing test currently used by some courts will be discussed *infra* in Part V.

78 Ramsey, *supra* note 56, at 395.

79 *Id.*

80 See *United States v. Alvarez*, 132 S. Ct. 2537, 2552 (2012) (citing *Central Hudson* as an example of what situations qualify for intermediate scrutiny).

81 See *Citizens United v. Federal Election Com'n*, 130 S. Ct. 876 (2014) (recognizing corporations have First Amendment political speech rights); *Burwell v. Hobby Lobby Stores, Inc.*, 134 S. Ct. 2751 (2014) (recognizing that a closely held corporation's exercise of religion could be substantially burdened by an HHS contraceptives mandate); *Aschcroft v. Iqbal*, 556 U.S. 662 (2009) (generalizing the pleading standard in *Twombly* to all cases); *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007) (establishing a higher pleading standard for plaintiffs in an anti-trust law suit).

82 Michael Grynberg, *Things are Worse Than We Think: Trademark Defenses in a “Formalist” Age*, 24 BERKELEY TECH. L.J. 897, 901–904 (2009) (explaining many common law defenses in trademark law were eventually codified).

83 See *infra* Part IV.

A. Trademark Use

Though not explicitly a fair use doctrine, the “trademark use doctrine” lies at the forefront of one of the most rancorous debates concerning trademarks today. The dispute pits search engines and other advertisers who use trademarks to sell advertisements against the owners of those marks who believe their actions constitute illegal trade on their goodwill.⁸⁴ Because “the trademark use requirement serves a gatekeeper function, limiting the reach of trademark law without regard to a factual inquiry into consumer confusion,”⁸⁵ each side seeks to show the doctrine favors its own. The doctrine’s absolute bar to litigation where it attaches also makes it a very appealing solution for those concerned about the growing scope of trademark law.

The use doctrine is a natural outgrowth of trademark theory. The doctrine arises from the foundation of trademark protection, that a mark must be used to indicate a good or service’s origin in order to acquire trademark protection.⁸⁶ In essence, the doctrine protects the user of a mark from liability when the mark is not being used to indicate the source of a good or service. Although a very powerful and useful bar to halting litigation early, this doctrine’s usefulness has been severely limited.

The problem arises in the amended Lanham Act itself. The Act states that a trademark is used “as a mark” if consumers believe the use indicates: “the affiliation, connection, or association of the [the defendant] with another person, or . . . the origin, sponsorship or approval of his or her goods, services, or commercial activities by another person.”⁸⁷ Yet, to make these determinations usually requires an investigation of the likelihood of confusion between the marks, undermining the value that this defense offers in ending a lawsuit in the early stages of litigation.⁸⁸ Even those who support the defense argue that it really only helps in the “easy cases,” while only offering

⁸⁴ See, e.g., *Rescuecom Corp. v. Google, Inc.*, 562 F.3d 123, 127–29 (2d Cir. 2009) (concerning Google’s recommendation of Rescuecom’s trademark to businesses buying keywords).

⁸⁵ Stacey L. Dogan & Mark A. Lemley, *Trademarks and Consumer Search Costs on the Internet*, 41 *HOUS. L. REV.* 777, 805 (2004).

⁸⁶ 15 U.S.C.A. § 1127 (“[T]o identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”)

⁸⁷ *McGeeveran*, *supra* note 39, at 79 (2008) (quoting 15 U.S.C. § 1125(a)(1) (2000)).

⁸⁸ See *id.* at 80 (“Evidentiary issues arising from such an approach probably would destroy any early ‘gatekeeper’ character of the doctrine.”).

“limited value in close cases.”⁸⁹ Thus from a practical standpoint, trademark use doctrine does not offer an effective, efficient way to limit trademark law, especially in the case of corporations whose uses often strain the boundaries of what may be considered fair use. Nevertheless, the use doctrine’s failure shows that any effective fair use doctrine cannot depend on a subjective determination of what a consumer may think, but rather on an objective assessment of the use itself and what it suggests about the defendant’s intent. The use doctrine also highlights the importance of making fair use determinations early on in litigation.

B. Descriptive “Classical” Fair Use

Unlike trademark use, “classical fair use” functions as an affirmative defense against liability for the use of descriptive trademarks. Though normally unprotectable, descriptive trademarks may be registered once a word or phrase comes to indicate the source of a particular item in the minds of the consuming public.⁹⁰ Although one may register such a mark, the Lanham Act⁹¹ provides an affirmative defense for uses of trademarked language or imagery to describe the attributes of a defendant’s product.⁹² The complicated language of the statute’s test to determine whether or not a use falls into that safe haven has been simplified by the Seventh Circuit into a three element test which requires: (1) non-trademark use; (2) descriptiveness; and (3) fairness and good faith.⁹³ The defense works to ensure that trademark law does not fall afoul of the First Amendment by interfering with everyday language. The defense also mitigates the otherwise extremely anti-competitive effects, such as preventing the advertisement of an entire class of goods, which could otherwise result from granting protection to descriptive trademarks.⁹⁴

Two cases perfectly illustrate how courts have operationalized the doctrine. In *Zatarains, Inc. v. Oak Group Smoke Houses*, the plaintiff,

89 Stacey L. Dogan & Mark. A. Lemley, *Grounding Trademark Law through Trademark Use*, 92 IOWA L. REV. 1669, 1674 (2007).

90 See, e.g., *Zatarains, Inc. v. Oak Grp. Smoke Houses*, 698 F.2d 786, 790, 792 (5th Cir. 1983) (stating that while descriptive terms are not ordinarily protectable as trademarks, they may be protected if they acquire a secondary meaning).

91 15 U.S.C. § 1115(b)(4) (2000).

92 *Id.*

93 McGeveran, *supra* note 39, at 83 (citing *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 951 (7th Cir. 1992)).

94 See McGeveran, *supra* note 39, at 82 (“Without such limitations, markholders could gain an unfair advantage by preventing competitors from describing their products adequately, and the public would lose valuable information that reduces search costs.”).

Zatarains, asserted its exclusive right to the terms “Fish-Fri” and “Chick-Fri.”⁹⁵ Although the court found “Chick-Fri” an invalid trademark—it lacked any secondary meaning—“Fish-Fri” had garnered enough recognition to be considered a valid trademark.⁹⁶ Nevertheless, the court turned to descriptive fair use before deciding Zatarains’ claim of infringement. The Fifth Circuit, though it did not lay out three prongs explicitly, found that the defendants easily met the qualifications of the defense.⁹⁷ The court highlighted: (1) that the defendants’ testimony at trial and their failure to attempt to register the mark indicated the non-trademark use of the mark; (2) they used the words to describe a type of coating mix they manufactured; and (3) that they consciously packaged and labeled their products in such a way to minimize any chance of confusion.⁹⁸ Consequently, the court found that the defendants were entitled to the fair use of “Fish-Fri” to describe their products.

In another leading case, *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, the manufacturer of the famous “Sweet Tarts” candy sued to prevent Ocean Spray from using the term “sweet-tart.”⁹⁹ The Seventh Circuit quickly found that the use of “sweet-tart” was descriptive, and disagreed with the district court’s assertion that “sweet-tart” could be considered a trademark when used by Ocean Spray.¹⁰⁰ Nevertheless, the court also found that, given the lack of any evidence of consumer confusion, the district court had not made any error in making the factual finding that the term had been used in bad faith.¹⁰¹ Once again, the court suggested that the analysis was relatively straightforward, albeit one which required a fair amount of discovery or other investigation to prove.¹⁰²

95 *Zatarains, Inc. v. Oak Grp. Smoke Houses*, 698 F.2d 786, 788 (5th Cir. 1983).

96 *Id.* at 796–97.

97 *Id.* at 796.

98 *Id.*

99 *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d 1055, 1057 (7th Cir. 1995).

100 *Id.* at 1059.

101 *Id.* at 1060.

102 Although *Zatarains* and *Sunmark* both suggested that there could not be more than a remote chance of confusion in order for the fair-use defense to apply, the Supreme Court clarified that some confusion was perfectly acceptable in *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.* 543 U.S. 111, 124 (2004) (finding that “the defendant has no independent burden to negate the likelihood of any confusion in raising the affirmative defense that a term is used descriptively, not as mark, fairly, and in good faith”).

Although relatively effective in preventing the broad appropriation of language,¹⁰³ three problems work together to vastly limit the usefulness of this defense as a general limit to trademark law. First, this defense often requires at least some of the likelihood of confusion analysis to be completed before it may be invoked.¹⁰⁴ Although one clearly need not affirmatively disprove any likelihood of confusion to benefit from this defense,¹⁰⁵ the Supreme Court has not explained what role likelihood of confusion should play in the analysis.¹⁰⁶ Consequently, the Ninth Circuit does not examine the defense until after a long examination of the likelihood of confusion, while the Second Circuit holds that likelihood of confusion plays no part in a classical fair use analysis.¹⁰⁷ The inconsistencies surrounding the test's procedure drastically limit its usefulness as a consistent protection for defendants and limit on trademark protections. In addition, at least the Ninth Circuit has made it clear that judges should leave the question of fair use in most cases to the jury,¹⁰⁸ further reducing its usefulness.

For example, in *Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Management*,¹⁰⁹ the Ninth Circuit reversed a district court's summary judgment motion that held Victoria's Secret's use of the term "delicious" on a tank top was fair use as a matter of law. After concluding that the question of whether or not there was consumer confusion fell too close for the district court to grant summary judgment, the court went on to state that, though "it [was] possible Victoria's Secret used the term "Delicious" fairly," the court believed a jury was better suited to answer the question.¹¹⁰ It then launched into a long analysis of the nine *Sleekcraft* factors¹¹¹ before concluding that because the

¹⁰³ *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 951 (7th Cir. 1992) (noting that section 33(b)(4) embodies the "principle that no one should be able to appropriate descriptive language through trademark registration").

¹⁰⁴ *See McGeveran*, *supra* note 39, 84–85 (noting that although the Supreme Court held that defendants need not disprove likelihood of confusion to benefit from the defense, it left it up to lower courts to determine what role likelihood of confusion should play in the analysis).

¹⁰⁵ *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 124 (2004).

¹⁰⁶ *See id.* at 123 (stating that some confusion may occur without losing the defense).

¹⁰⁷ *McGeveran*, *supra* note 39, at 85.

¹⁰⁸ *Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt.*, 618 F.3d 1025, 1031 (9th Cir. 2010) (citing *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596, 609 (9th Cir. 2005) (noting that genuine issues of material fact indicate that the fact finder should determine whether the "defense of fair use has been established"))).

¹⁰⁹ *Fortune Dynamic, Inc.*, 618 F.3d at 1044.

¹¹⁰ *Id.* at 1031.

¹¹¹ *See generally*, *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979) (utilizing these nine factors to determine likelihood of confusion: (1) strength of the mark; (2) proximity

question of likelihood of confusion was a close one, by necessity fair use was not appropriate at summary judgment.¹¹²

Yet this seems quite mistaken, given that the Supreme Court clearly stated in *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.* that some confusion was perfectly compatible with fair use. In *KP Permanent*, the Court was faced with the question of whether the mark “Micro Colors” should be considered a descriptive mark, and whether a competitor’s use of the mark to describe their own line of permanent cosmetic make-up was fair use.¹¹³ After finding the mark descriptive, the Court turned to the question of whether or not confusion precluded a finding of fair use.¹¹⁴ Pointing out that the burden to prove confusion lay on the plaintiff, the Court affirmatively held that some confusion did not preclude a finding of fair use.¹¹⁵

Second, even when courts do separate the analysis under § 1115(b)(4) from the likelihood of confusion analysis, they still often perform a lengthy, fact-intensive analysis giving rise to the same problems as found in trademark use. In fact, at least one court has stated that § 1115(b)(4)’s descriptiveness element is essentially the mirror image of nontrademark use, making a use descriptive only if it is *not* source-identifying.¹¹⁶ The failure to explain what constitutes a “trademark use” necessitates extensive fact finding, abrogating one of the primary goals of a fair use defense, an easily discernable boundary between protected and non-protected uses. The Second Circuit’s discussion above in *Kelly-Brown v. Winfrey*, offers a perfect example of these kinds of analyses.

In *Kelly-Brown v. Winfrey*, when determining whether or not the district court had erred in granting summary judgment on the fair use defense, the court spent a great deal of time examining the three factors of descriptive fair use before concluding that insufficient evidence on one factor, good faith, precluded summary judgment.¹¹⁷ The court held, that because there was a disagreement on each of the three issues, it could not grant summary judgment in regards to fair

of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) type of goods and the degree of care likely to be exercised by the purchaser; (7) defendant’s intent in selecting the mark; (8) likelihood of expansion of the product lines; and (9) other factors that bear on the likelihood of confusion).

112 *Fortune Dynamic*, 618 F.3d at 1044.

113 *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 114 (2004).

114 *Id.* at 121.

115 *Id.* at 121–123.

116 *Whirlpool Props. v. LG Elecs. U.S.A., Inc.*, No 1:03-cv-414, 2005 WL 3088339, at *20 (W.D. Mich. Nov. 17, 2005).

117 *Kelly-Brown v. Winfrey*, 717 F.3d 295, 303, 308–313 (2d Cir. 2013).

use, despite strong evidence on both sides.¹¹⁸ This case perfectly illustrates the difficulty of establishing fair use as an evidentiary matter, which precludes its invocation at summary judgment or earlier.

Third and finally, the lack of clarity concerning the defense's scope dramatically limits its usefulness. Some courts spend a great deal of time determining whether the plaintiff was describing their own product or that of a competitor, only allowing the defense if the defendant used the descriptive mark in question exclusively in reference to his product.¹¹⁹ Other courts use § 1115(b)(4) as a defense for any descriptive mark's use, regardless of any relationship it bears to the plaintiff's product.¹²⁰ This third issue particularly negates this defense's usefulness as it represents the opposite of a clear-cut and straightforward manner to determine the legality of the use of a given mark. Instead, companies and individuals are encouraged to forum shop to find jurisdictions where the use in question is more, in the case of plaintiffs, or less, in the case of defendants, likely to be found descriptive. The wide variations on these issues call for intervention by Congress or the Supreme Court to normalize the law.

C. Nominative Fair Use

Although far from universally accepted, "nominative fair use" has emerged as a separate defense from classic fair use that also reflects First Amendment concerns. Judge Alex Kozinski introduced the defense in his opinion from the famous 1992 case, *New Kids on the Block v. News America Publishing, Inc.*¹²¹ The defense protects those who use a mark to "refer to a particular product for purposes of comparison, criticism, point of reference, or such other purpose" when doing so without the mark is virtually impossible otherwise.¹²²

For example, in *New Kids*, the defendant newspapers ran two different advertisements asking the pressing question, "Which one of the New Kids is the most popular? USA Today's announcement con-

118 *Id.* at 313.

119 *See, e.g.,* Cairns v. Franklin Mint Co., 292 F.3d 1139, 1150–52 (9th Cir. 2002) (limiting section 33(b)(4) strictly to cases "where a defendant has used the plaintiff's mark *only* to describe his own product, *and not at all to describe the plaintiff's product.*")

120 *See, e.g.,* Cosmetically Sealed Industries, Inc. v. Chesebrough-Pond's USA Co., 125 F. 3d 28, 30 (2d Cir. 1997) ("Though the terms of the Act recognize the fair use defense where the name or term is used 'to describe the goods,' that phrase has not been narrowly confined to words that describe a characteristic of the goods such as size or quality. Instead we have recognized that the phrase permits use of words or images that are used in Judge Leval's helpful expression in their 'descriptive sense.'").

121 *New Kids on the Block v. News. Am. Publ'g, Inc.*, 971 F.2d 302 (9th Cir. 1992).

122 *Id.* at 306.

tained a picture of the New Kids and asked, 'Who's the best on the block?'"¹²³ The New Kids asserted that the use of their name in the poll constituted trademark infringement.¹²⁴ In their defense, the newspapers claimed that their polls were protected under the First Amendment as "part and parcel of their 'news-gathering activities.'"¹²⁵ Consequently, the case pitched the First Amendment squarely against trademark law.

To resolve the controversy, Judge Kozinski offered a three-prong test to determine if the use was fair as a "nominative use":

First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.¹²⁶

Applying the test in *New Kids*, Judge Kozinski came to the logical conclusion that a newspaper's poll of its readers concerning a band constituted a fair use of the band's trademarked name.¹²⁷

Although the test concluded logically in *New Kids*, the test itself has proven to be less reliable. The first, and worst, problem with the doctrine results from the collapse of the fair use determinations into a substitute likelihood of confusion analysis. The court's lack of guidance in *New Kids* as to what sorts of actions might create a wrongful suggestion of "sponsorship or endorsement" leads to this result.¹²⁸ Consequently, courts often deny summary judgment because questions of fact remain concerning the third factor.¹²⁹

For example, in *Swarovski Aktiengesellschaft v. Building No. 19, Inc.*,¹³⁰ the First Circuit examined whether a court had conducted the proper analysis in granting Swarovski's motion for a preliminary injunction.¹³¹ The dispute arose when Building 19 salvaged a large shipment of Swarovski crystal—which still contained certificates of authenticity—that had been sold in an insurance sale after a severe

123 *Id.* at 304.

124 *Id.* at 304–05.

125 *Id.* at 305.

126 *Id.* at 308.

127 *Id.* at 309.

128 *Id.* (stating only that defendant "says nothing that expressly or by fair implication connotes endorsement or joint sponsorship on the part of the New Kids").

129 *See, e.g.,* *Standard Process, Inc. v. Total Health Disc., Inc.*, 559 F. Supp. 2d 932, 938–39 (E.D. Wisc. 2008) (dismissing a motion for summary judgment based on doubts surrounding the third factor).

130 704 F.3d 44 (1st Cir. 2013).

131 *Id.* at 46.

storm damaged the warehouse in which it had been stored.¹³² In light of this acquisition, Building 19 bought a series of advertisements, which promoted two one-day-only sales of the merchandise.¹³³ Swarovski promptly sent Building 19 a cease-and-desist letter regarding the advertisements, and sued for an injunction when Building 19 attempted to run a new advertisement.¹³⁴ Building 19 defended its use of the Swarovski mark on the basis that there was no likelihood of confusion, and that nominative fair use applied.¹³⁵

In beginning its analysis, the First Circuit noted, “there is no indication from the record that the district court found a likelihood of confusion either under the traditional eight-factor *Pignons* test or under the nominative fair use test.”¹³⁶ Nevertheless, after suggesting the two doctrines operated as discrete and unique analyses, the First Circuit concluded, “[t]he district court erred by granting Swarovski’s request for a preliminary injunction without first finding that Building # 19’s use of its mark in the proposed advertisement was *likely to cause confusion*.”¹³⁷ The circuit court pointed to the district court’s analysis of the second factor—whether the defendant used more of the mark than necessary—and noted that it had simply asked whether the defendant had used too big a font on the advertisement at issue, rather than whether the ad would cause confusion.¹³⁸ The real problem, however, was that the court required an enormous amount of discovery before ever turning to fair use, making it highly likely that defendants would generally feel pressured to settle given the uncertainty and cost of pursuing the defense.

The second problem with nominative fair use arises from subsequent courts’ refusal to employ it in the early stages of litigation, significantly lowering its ability to protect those engaging in fair uses from litigation costs. In fact, the Ninth Circuit has simply transformed nominative fair use into a substitute for the traditional likelihood of confusion test, requiring similarly large amounts of grueling discovery.¹³⁹ This development significantly undermined the “gatekeeper” role—setting aside cases that fell outside of trademark law

132 *Id.* at 47.

133 *Id.*

134 *Id.* at 47, 48.

135 *Id.* at 47–49.

136 *Id.* at 50–51.

137 *Id.* at 53 (emphasis added).

138 *Id.* at 52–53.

139 *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1150 (9th Cir. 2002).

long before summary judgment—that nominative fair use could have performed.¹⁴⁰

While disapproving of this approach, which placed the burden of proof on the defendant, the Third Circuit actually made the situation worse by bifurcating the analysis in *Century 21 Real Estate Corp. v. Lendingtree, Inc.*¹⁴¹ In *Century 21*, the plaintiff asserted that Lendingtree's use of its trademark on its website in conjunction with its operation of a referral service for relators constituted infringement.¹⁴² In defense, Lendingtree asserted that its use of the mark on the website was a fair, nominative use.¹⁴³

To combat the Ninth Circuit's unfair burden on defendants, the Third Circuit held the plaintiff would have to first prove confusion is likely.¹⁴⁴ Only after the plaintiff had met that burden would the burden shift to the defendant to prove that its nominative use was nonetheless fair.¹⁴⁵ But, given this arrangement requires a likelihood of confusion analysis, any resolution of a nominative fair use question inevitably requires a large amount of discovery, undermining any hope of a bright line rule.

Finally, nominative fair use's many overlaps with classical fair use has resulted in ever more complicated machinations to distinguish the two, creating an insolvable, unusable morass.¹⁴⁶ As William McGeeveran notes, while the Ninth Circuit attempted to separate the two doctrines in *Cairns v. Franklin Mint Co.*, the test proved fair too difficult to apply in common scenarios.¹⁴⁷ For example, in *Brother Records, Inc. v. Jardine*, the Ninth Circuit addressed a case in which a former member of the Beach Boys used the band's trademark to describe himself when promoting his solo act.¹⁴⁸ The court concluded, "[the] 'classic' fair use defense applies when a defendant uses a trademark in its 'primary, descriptive sense'—its dictionary meaning, more or less."¹⁴⁹ This convoluted standard resulted in the court's humorous comment that the Beach Boys' mark did not "denote . . . 'boys who frequent a stretch of sand by the sea,'" nor were the New

140 McGeeveran, *supra* note 39, at 91.

141 *Id.* at 92 (citing *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211 (3d Cir. 2005)).

142 *Century 21*, 425 F.3d at 216.

143 *Id.* at 217.

144 *Id.* at 222.

145 *Id.*

146 McGeeveran, *supra* note 39, at 93–94.

147 *Id.* at 93 (quoting *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1152 (9th Cir. 2002)).

148 *Brother Records, Inc. v. Jardine*, 318 F.3d 900, 905 (9th Cir. 2003).

149 McGeeveran, *supra* note 39, at 94 (citing *Brother Records*, 318 F.3d at 905).

Kids on the Block “children who recently moved to this area bounded by streets on four sides.”¹⁵⁰ Consequently, the court found that the former Beach Boys member’s use of the trademark was a nominative fair use. But this standard offers almost no help to those trying to figure out how to distinguish between nominative and descriptive fair use.

The combination of these three issues has rendered the nominative fair use defense essentially useless except in the most obvious of cases, such as *New Kids*. Once again, the failure to clearly define “trademark use” and explain the defense’s procedure has sapped nominative fair use of its effectiveness.

D. The TDRA’s Categorical Statutory Exemptions

Congress dramatically expanded the scope of protections for the nation’s most famous marks when it passed both the FTDA and TDRA. Yet it also set in place specific protections and limitations to the law at the same time.¹⁵¹ The acts protect “any fair use,” but specify uses in connection with:

- A) i) advertising or promotion that permits consumers to compare goods or services; or ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner. B) All forms of news reporting and news commentary. C) Any noncommercial use of a mark.¹⁵²

Though at first glance the language of the TDRA seems quite unambiguous, the problems that arise in conjunction with the defenses are anything but simple. The addition of “nominative or descriptive fair use” just before the quoted text above risks importing all the problems associated with those defenses. Moreover, the TDRA specifically added the important note that the use of a mark as “a designation of source for the person’s own goods or services,” may not be considered a fair use.¹⁵³ Because this “as a mark” language almost always requires a likelihood of confusion analysis, it negates any possible advantages of a clear, straightforward fair use provision. Instead of improving and expanding the protection of speech with the TDRA, Congress actually accomplished the opposite. The TDRA eliminated

¹⁵⁰ *Brother Records*, 318 F.3d at 907 & n.3.

¹⁵¹ Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, § 3, 109 Stat. 985, 985–986 (1996) (codified at 15 U.S.C. § 1125(c) (2000)). *But see*, Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, § 2, 120 Stat. 1730, 1731 (2006). The amendment also moved the exclusions from 15 U.S.C. § 1125(c)(4) to § 1125(c)(3).

¹⁵² 15 U.S.C. §§ 1125(c)(3)(A-C).

¹⁵³ 15 U.S.C. § 1125(c)(3).

the FTDA's originally unambiguous language, and instead of leaving a simple, effective rule, left the test much more muddled.¹⁵⁴

While there have been few cases examining the issue, at least one recent court decision has interpreted this language as simply a codification of the nominative fair use doctrine and a standalone "parody fair use" into dilution law. In *Radiance Foundation, Inc. v. NAACP*, the question faced by the district court was whether the use of the term "National Association for the Abortion of Colored People" on a Pro-life website constituted trademark infringement and dilution.¹⁵⁵ To defend against the dilution claim, the Radiance Foundation argued its use fell under the TDRA's fair use provisions listed above.¹⁵⁶

As predicted, the court fell into the exact trap of limiting Section A of the TDRA's fair use provision to just parody and nominative fair use.¹⁵⁷ After completing an enormous section analyzing the likelihood of confusion, the court found that the article in question did not "describe nor reference" the services of the NAACP, thus it could not be a nominative fair use.¹⁵⁸ It also concluded that the parody claim was ineffective because a likelihood of confusion could arise given the manner in which the mark was used, and because it did not clearly convey "two simultaneous and contradictory messages—that it is the NAACP, but also that it is not the NAACP."¹⁵⁹ The court also summarily dismissed a defense under Section B, because the article did not use the correct name of the NAACP.¹⁶⁰ Finally, the court held that because there were opportunities for visitors to donate to the site, Radiance could not claim they were using the mark in a non-commercial manner.¹⁶¹

The case above perfectly illustrates the problems with the TDRA current fair use defenses. The addition of the new language has imported all the problems with the defenses examined above, by limiting the courts to nominative fair use instead of a broader more sweeping defense. Moreover, as the case above illustrates, even when the "use as a mark" seems extremely tenuous, courts are unafraid to find the user liable for trademark dilution.

154 McGeeveran, *supra* note 39, at 108–109.

155 *Radiance Found., Inc. v. NAACP*, 25 F.Supp.3d 865, 871 (E.D. Va. 2014).

156 *Id.* at 891.

157 *Id.* at 896–97.

158 *Id.*

159 *Id.* at 893.

160 *Id.* at 898.

161 *Id.* at 898–99.

E. What Comes Next?

Scholars are nearly unanimous in their contention that some form of change is needed in trademark fair use given the anti-competitive and chilling effects trademark's expansion has incurred.¹⁶² Thus, what can be learned from these four doctrine's failings? First, as with the trademark use doctrine, failing to define "a use in commerce" constitutes a fatal flaw, as it almost always, except in the most obvious cases, devolves into a likelihood of confusion analysis. Second, an effective fair use doctrine must be applied universally across circuits in the same manner, thus requiring statutory action by Congress or a detailed test laid out by the Supreme Court. Either course poses significant challenges, though the Court has laid some basic groundwork for such a change. Finally, these tests show the most effective defense may be the simplest. Though a simple test may not always give a popular answer, litigants often find predictability far more valuable than ensuring every case results in a "right" answer.

A fair use defense rooted in the First Amendment appears to be the most natural solution to many of these problems. Thus far, fair use defenses have developed piece-meal in response to various developments in trademark law.¹⁶³ As explained above, this has left significant gaps as the defenses have developed on an ad hoc basis, normally without a principled justification.¹⁶⁴ By instituting limits on trademark based on the value of First Amendment rights in commercial speech, the Supreme Court or Congress could institute a principled, universally applicable limit on trademark law, which does not exist today. Unfortunately, the Court's initial forays in this realm have reaped mixed results.

¹⁶² See, e.g., Stacey L. Dogan & Mark A. Lemley, *Grounding Trademark Law Through Trademark Use*, 92 IOWA L. REV. 1669, 1674 (2007) (noting that without a trademark use requirement, "trademark holders could severely limit a whole host of legitimate but unauthorized use of their marks, particularly (but not exclusively) in the online context"); Connie Davis Nichols & Charley Carroll, *Trouble in Trademark Law: How Applying Different Theories Leaves Door Open for Abuse*, 17 S.M.U. SCI. & TECH. L. REV. 1, 6 (2014) (affirming the need for trademark owners to police their marks, but calling for the courts to offer relief to secondary mark users who are unfairly targeted by established mark owners in the name of policing); Lisa P. Ramsey, *Increasing First Amendment Scrutiny of Trademark Law*, 61 S.M.U. L. REV. 381, 389–90 (2008) (highlighting the possibility of using the First Amendment's free expression clause to limit the expansion of trademark law); Hannibal Travis, *The Battle for Mindshare: The Emerging Consensus that the First Amendment Protects Corporate Criticism and Parody on the Internet*, 10 VA. J.L. & TECH., 5–6 (2005) (warning that trademark law has become a threat to criticism and parody of corporations, but also noting that the First Amendment places limits on a mark holder's rights).

¹⁶³ See generally *supra* Parts II and IV.

¹⁶⁴ See *supra* Part IV.

IV. CURRENT FIRST AMENDMENT LIMITS IN TRADEMARK LAW

Trademark law has struggled recently to balance its protections with the guarantees of the First Amendment. Traditionally, the use of a mark in commercial advertising and packaging for specific commercial products fit the Supreme Court's definition of "pure commercial speech."¹⁶⁵ As examined in Part III *supra*, because the Supreme Court had historically held that "the Constitution impose[d] no restraint on government [power] as respects purely commercial advertising,"¹⁶⁶ courts generally understood that trademark law did not threaten First Amendment rights. But, the law changed dramatically in 1976, when the Court explicitly held that the First Amendment applied to and protected commercial speech in *Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, Inc.*¹⁶⁷ The Court justified its decision by noting that society had an interest in the "free flow of commercial information."¹⁶⁸ Thus, with its decision in *Virginia State Board of Pharmacy*, the Court has suggested that even certain purely commercial uses of trademarks could fall under the protection of the First Amendment.

The Court has been even more explicit in regards to noncommercial uses of trademarks, finding Constitutional limits to trademark law especially when it comes to "expressive uses" of trademarks.¹⁶⁹ Moreover, as discussed *supra* in Part III, there is mounting evidence that the Court's characterization of commercial speech as a second class citizen may be crumbling to the point that it enjoys nearly equal protection as the other forms of expressive or political speech.¹⁷⁰ Regardless of whether this change comes to fruition, the increasing recognition that commercial speech involves something protectable indicates that the Supreme Court may recognize a need to supplement the ex-

165 Ramsey, *supra* note 56, at 396.

166 *Valentine v. Chrestensen*, 316 U.S. 52, 54 (1942).

167 *Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 762 (1976).

168 *Id.* at 764-65.

169 *See, e.g.*, 44 *Liquormart v. Rhode Island*, 517 U.S. 484, 518 (1996) ("[T]he government's asserted interest [in keeping people] ignorant in order to manipulate their choices . . . is *per se* illegitimate and can no more justify regulation of 'commercial' speech than it can justify regulation of 'noncommercial' speech.") (Thomas, J., concurring); *In re R.M.J.*, 455 U.S. 191, 203 (1982) (interpreting the First Amendment to limit professional advertising regulations to deceptive practices); *Friedman v. Rogers*, 440 U.S. 1, 15 (1979) (clarifying when restrictions prevent misleading practices without impeding the free flow of information).

170 Ramsey, *Increasing First Amendment Scrutiny*, *supra* note 56, at 393-94.

isting doctrines surrounding trademark law with constitutional bounds.

A. *The Current Balancing Test*

Although courts have not completely ignored the First Amendment in their applications of trademark law, the current doctrine remains in its infancy. Today, courts determine whether or not a given trademark use warrants First Amendment protection by weighing the risk of consumer confusion against the public interest.¹⁷¹ The current test, laid out for example by the Second Circuit in *Cliff Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*, though adequately protecting the interests of the trademark owner, provides no guidance for how to weigh the two values.¹⁷² In *Cliff Notes*, the defendant had created a parody called “Spy Notes” which comically imitated the plaintiff’s line of book outlines.¹⁷³ When *Cliff Notes* claimed trademark infringement, Bantam asserted that the sardonic work was protected as parody under the First Amendment.¹⁷⁴

Examining the plaintiff’s claim, the court first noted that the Lanham Act had to be construed “‘narrowly’” when First Amendment values were relevant in a given case.¹⁷⁵ This means that “where an expressive work is alleged to infringe a trademark, it is appropriate to weigh the public interest in free expression against the public interest in avoiding consumer confusion.”¹⁷⁶ But because there was no further guidance, the Second Circuit simply proceeded to balance the competing interests between the public interest in avoiding consumer confusion and the value of expressive works; subsequently, the court found that the balance tipped in favor of finding the defendant’s use was fair.¹⁷⁷

Consequently, in the aftermath of *Cliff Notes*, Second Circuit procedure merely stated that a court first examine the nine likelihood of confusion factors, then investigate any First Amendment concerns, and only then weigh the two.¹⁷⁸ Though far from perfect, even the

171 See, e.g., *Cliff Notes, Inc. v. Bantam Doubleday Dell Publ’g Group, Inc.*, 886 F.2d 490 (2d Cir. 1989) (examining the availability of First Amendment protection for parody).

172 *Id.*

173 *Id.* at 492–93.

174 *Id.* at 493.

175 *Id.* at 494.

176 *Id.*

177 *Cliff Notes, Inc. v. Bantam Doubleday Dell Publ’g Group, Inc.*, 886 F.2d 490, 495 (2d Cir. 1989).

178 *Twin Peaks Prods., Inc. v. Publ’ns Int’l, Ltd.*, 996 F.2d 1366, 1379 (2d Cir. 1993); see generally *Hormel Foods Corp. v. Jim Henson Prod’ns, Inc.*, 73 F.3d 497 (2d Cir. 1996) (using

four factor balancing test for finding fair use in copyright law gives specific criteria—such as the amount of copyrighted material used and the nature of that use—that judges should weigh when determining whether or not a given expression violates a copyright holder's exclusive rights.¹⁷⁹

Further complicating matters, the only other case offering any guidance, *Rogers v. Grimaldi*, specifically limited itself to allegedly misleading titles of artistic works that use a celebrity's name.¹⁸⁰ In *Rogers*, the plaintiff asserted that the defendant filmmaker had violated the Lanham Act by using her first name, Ginger, in a film that told the story of fictional characters who imitated Rogers.¹⁸¹ Rogers asserted that the title created "the false impression that the film was about her or that she sponsored, endorsed, or was otherwise involved in the film."¹⁸² The *Rogers* test that the court developed to analyze these kind of challenges significantly favors defendants, only finding liability when a "title has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work."¹⁸³ Conversely, the test does not explain what constitutes "explicit misleading," nor does it explain how a court should apply the test procedurally. Like the *Cliff Notes*' test, the *Rogers* test only helps in very limited circumstances and often where a case's outcome appears predetermined.

B. Lessons Learned

Although there have been hints of other tests, such as First Amendment protection for the use of trademarks which have "transcended their identifying purpose" and "assume[d] a role outside the bounds of trademark law,"¹⁸⁴ no coherent, overarching doctrine has yet materialized. The current First Amendment limitations to trademark law do not give adequate guidance to judges, who are often forced to consider fair use defenses near the end of discovery, after most of a case's expenses have accrued.

the likelihood of confusion test before looking at other concerns); *Charles Atlas, Ltd. v. DC Comics, Inc.*, 112 F. Supp. 2d 330 (S.D.N.Y. 2000) (finding that First Amendment protections and likelihood of confusion tests must be balanced in denying summary judgment).

179 17 U.S.C. § 107.

180 *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989).

181 *Id.* at 996–997.

182 *Id.* at 997.

183 *Id.* at 999.

184 *Mattel, Inc. v. MCA Records*, 296 F.3d 894, 900 (9th Cir. 2002) (Kozinski, J.) (discussing the use of trademarks in idioms such as "the Rolls-Royce of its class").

For a First Amendment fair use doctrine to prevent the possibility of trademark law's chilling effect on speech, a defendant must be able to invoke it early on in proceedings and it must give clear guidance to the courts who apply it.¹⁸⁵ Without clarity, owners will be emboldened to file significant strike suits, the strength of which, users, both large and small, will be unable to evaluate.¹⁸⁶ By acknowledging the weaknesses of current fair use doctrines, a new doctrine may finally shed some light on this opaque area of law.

A perfect example of the problems contained in modern trademark law can be found in the legal tumult surrounding SodaStream's brilliant marketing campaign in 2012. The campaign consisted of large bins in airports containing cans and bottles—including those of Coca-Cola and other Coke brands—with a tagline: "*SodaStream . . . SAVE the world from 5078 bottles & cans per family, every 3 years . . .*"¹⁸⁷ Coca-Cola, faced with the possibility of competition, sent SodaStream a cease and desist letter asserting that the use of Coke bottles in the display constituted trademark infringement and dilution.¹⁸⁸ While most intuitively would say that such a use should be perfectly legal, none of the current trademark fair use defenses would quickly dispense with this case.

Each of the defenses listed above would fail in turn. Like "key-ing," SodaStream's displays clearly contained a trademark and were certainly advertisements used in commerce, making a trademark use defense inapplicable. Given this use was not descriptive of a product, nor used Coke in a nominative sense—that is, the advertisements did not discuss Coca-Cola in any manner—neither descriptive nor nominative fair use would apply. The TDRA's protection of product comparison could possibly apply in this case, however, the displays did not really compare the two products. Instead, the displays simply made statements about how many cans and bottles could be saved by using SodaStream. Moreover, even if the defense did apply, it would only protect SodaStream from the dilution claim. Thus, SodaStream would have to prove through a likelihood of confusion test that the use did not raise a likelihood of customer confusion, a possibly very expensive proposition. Thus, there would be significant pressure on

185 See, e.g., William McGeeveran, *Rethinking Trademark Fair Use*, 94 IOWA L. REV. 49, 61–65, 65 (2008) ("In sum, structural aspects of the existing trademark fair use doctrines deter unlicensed expressive uses of trademarks or, alternatively, encourage capitulation in the face of legal action.").

186 See *supra* notes 37–55 and accompanying text.

187 Letter from K Thompson, Attorney, Adams & Adams – Pretoria, to Soda-Club (SA) Limited (June 8, 2012) (on file with author).

188 *Id.*

SodaStream to either take down the display or spend significant resources to defend the campaign and risk a finding of liability. Cases like these illustrate the need for a quick, efficient fair use doctrine that would apply early on. A new heightened pleading standard, which recognized the First Amendment protections afforded to commercial speech, could offer such protection.

V. THE WAY FORWARD: A PLEADING STANDARD CONSISTENT WITH THE FIRST AMENDMENT

As explained in Parts IV and V, current fair use doctrines simply cannot meet the demands of the modern, fast-paced, internet-driven world. Whether clouded by ambiguity, bogged down in the necessity for time- and resource-taxing discovery, or severely limited in scope, the current doctrines do anything but quickly and efficiently resolve disputes. This lack of clarity in the law also discourages innovative, new advertising campaigns designed to share important information with consumers; this situation ultimately results in the limitation of commercial speech protected by the First Amendment under the Supreme Court's decision in *Virginia State Board*. Moreover, as explained *supra* in Part II, such uncertainty leads to aggressive trademark owner behavior and unleashes trademark's anti-competitive effects.

By removing the ambiguities from, and explicitly recognizing, the First Amendment's limitations on trademark law, the courts or Congress could rectify this problem. The solution lies in recognizing that a trademark's value only lies in its ability to communicate information about the quality and nature of the good,¹⁸⁹ and that, consequently, their creation need not be incentivized with extensive protections like copyright or patent. Moreover, given that trademark law's value lies in reducing consumer search costs,¹⁹⁰ First Amendment protection should apply to any use of a trademark that does not clearly attempt to divert consumers away from the mark's owner, which would raise consumer costs by causing confusion and does not fall under the First Amendment's protection of truthful, informative commercial speech.

To enforce this rule, lawmakers or the Supreme Court should institute a higher pleading standard for those alleging trademark in-

189 Ty Inc. v. Perryman, 306 F.3d 509, 510 (7th Cir. 2002) ("The fundamental purpose of a trademark is to reduce consumer search costs by providing a concise and unequivocal identifier of the particular source of particular goods.").

190 See *supra* Part II.

fringement. The standard would require a trademark plaintiff to plead facts that, if true, *clearly* and *convincingly* show that a defendant's use could divert customers from the mark's owner. A prima facie case could be established by showing: (a) the defendant used an identical mark to the plaintiff's on its own products (from which a court could infer an attempt to divert customers) or (b) the defendant used a mark so obviously similar to the plaintiff's that reasonable minds could differ on the source of the marked goods or services in question.

For dilution, a plaintiff would have to allege facts that, if true, clearly and convincingly showed a defendant's use of a mark: (a) traded on the goodwill associated with the plaintiff's mark, thereby decreasing its distinctiveness, or (b) harmed the goodwill associated with the plaintiff's mark. Both standards would require courts to adopt inferences in favor of the plaintiff, provided those inferences were at least as likely as those favoring the defendant. Though not explicitly a First Amendment "test," if a plaintiff failed to meet either of these standards, the use would be treated as a constitutional fair use of the mark under the First Amendment, regardless of whether the speech was commercial.

Not only would such a pleading standard avoid the pitfalls that befell the fair use protections outlined above, it would also reflect the history and theory undergirding trademark law. By fulfilling trademark's purpose by preventing individuals from unfairly using the goodwill of another's mark, the standard would ensure that consumers could trust the authenticity of marks in general. Thus, it would lower consumer search costs, while preventing any infringement of corporations and individuals' First Amendment rights. These standards would protect the commercial speech protected by the First Amendment—that is, truthful, non-deceptive speech—while allowing mark holders to pursue those whose actions harm the value of the marks they have worked to develop.

A heightened pleading standard would also offer the added benefit of answering the fair use question at an extremely early stage of litigation, before the vast costs associated with discovery would accrue. Such a standard would effectively deal with the problems associated with current fair use defenses: ambiguity, cost, complexity, and limited scope.

The SodaStream example examined *supra* perfectly illustrates the benefits of such a pleading standard given that the case would likely proceed under the other defenses. To pass the proposed pleading standard, Coca-Cola would have to allege that SodaStream's display diverted customers away from Coke's products because they mistak-

only believed that SodaStream's product came from Coke. Given that SodaStream's mark bears no resemblance to Coke's marks, and that Coke's marks occurred on a random assortment of cans and bottles in the display and not on any of SodaStream's products, the hypothetical court would dismiss the case given that neither of the heightened pleading standard's criteria were met.

The result would be essentially the same for Coca-Cola's dilution claim. This case would be somewhat closer given that Coca-Cola could conceivably plead that SodaStream's use of Coke marks in conjunction with the negative connotation of bottles and cans decreases Coke's marks appeal. But, it could not merely allege the veracity of that claim given the "clear and convincing" requirement.

To pass the pleading standard for dilution, Coca-Cola would have to allege facts that showed people developed a negative attitude to Coke marks in particular and not simply canned/bottled soda as a result of this display. Only if it could allege these facts would the case go further. This would likely take at least some preliminary research on the part of Coca-Cola, which is exactly the kind of expenses that deter strike suits, something that current fair use defenses fail to do. Thus, even if Coke were able to move forward in this case, it could only do so after actually doing the research to show it had been harmed. In that case, such a case should move forward given the detrimental effects on Coke, even if it would likely be estopped by the current fair use defenses contained in the TDRA.

These results would benefit society because it would allow SodaStream to advertise an environmentally friendly alternative to canned soda. This kind of trademark "use" is exactly the kind of speech and competition that the First Amendment should protect so long as the claims that are made are true because they are informative, and thus fall under the First Amendment's protection.¹⁹¹ These kind of uses fosters competition between products, which in turn forces companies to invest in new products and services rather than simply using trademark to stifle newcomers to a given market.

Some scholars and trademark owners will inevitably argue that such a standard raises the bar far too high at the pleading stage and unfairly limits mark holders' rights under the Lanham Act. Yet, as explained above in Part II, Congress never intended trademark law to give owners an exclusive right to use certain words, phrases, etc., in the public sphere as a whole. Trademark law was always intended to protect consumers by preventing competitors from using another

191 See *supra* Part IV.B.

merchant's marks to sell goods inferior to those of the mark's owner.¹⁹² Moreover, given that this standard would come at the pleading stage, and because the evidence in infringement claims often centers around public surveys, the standard would not prevent trademark claims as general rule. As applied in most cases, the standard would simply require the plaintiff to show that a defendant's use of trademark will result in actual harm to the plaintiff. Without a limit such as the pleading standard outlined above, an unlimited trademark law could rapidly expand beyond its logical confines, and allow corporations to threaten litigation to force other companies to capitulate.¹⁹³

This standard adequately balances the purpose of trademark law, to prevent consumer confusion as to the origin of their trademark goods, while preventing expansive trademark protections from abridging First Amendment rights in commercial and expressive. Though all tests will have some failures, this test would protect consumers from those who attempt to use other's trademarks, while ensuring that those same consumers may express themselves and competitors may vie for their attention. Perhaps most importantly, it would give both sides a clear law from which individuals and corporations alike may plan their businesses.

CONCLUSION

Though perhaps not at the forefront of the public or legal community's mind, trademark law has significant effects on the way in which people shop, express themselves, and even talk about the world. Without limiting trademark law's scope, our discussions of the world could be significantly limited. Fair use doctrine, rooted in the First Amendment, ensures that those limitations are avoided. Ensuring that these doctrines effectively protect rigorous competition and expression should be a priority for Congress and the courts, and a new pleading standard, like the one outlined above, may be the answer to the fair use problem.

¹⁹² See *supra* Part II.

¹⁹³ See, e.g., *Louis Vuitton Malletier, S.A. v. Hyundai Motor America*, No. 10-Civ-1611, 2012 WL 1022247 (S.D.N.Y. Mar. 22, 2012) (finding a three second clip of a commercial showing the 'LV' mark on a basketball was not fair use and infringed Louis Vuitton's trademark).